



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
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DIVISION OF
ENFORCEMENT

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Via UPS & ECF

Hon. Richard J. Sullivan
U.S. District Court
40 Foley Square, Room 2104
New York, NY 10007

Re: SEC v. Bassily, Case No. 16-CV-2733 (RJS)

Dear Judge Sullivan:

On January 31, 2017, the Court issued an Order directing the parties to submit a joint letter regarding the status of discovery. [Dkt #52]. On February 3, counsel conferred regarding several discovery-related matters, and hereby submit this joint letter.

Discovery Between the Parties

The Amended Complaint

On January 18, 2017, the SEC filed an Amended Complaint. Defendant's Answer is due on February 24.

The SEC anticipates adding a few individuals to its Initial Disclosures based on the additional allegations in the Amended Complaint, and will make those disclosures by February 15, 2017. The SEC's document productions have already included documents related to the additional allegations in the Amended Complaint, and therefore the SEC does not anticipate needing to produce substantial additional documents as a result of the amendment. It is possible the SEC will propound additional discovery requests upon review of the Answer.

Counsel for Mr. Bassily may amend their initial disclosures or propound additional discovery requests as a result of the amendment.

Production of Documents

As of today, the SEC and Mr. Bassily have each made two productions of documents. The parties have met and conferred on an *ad hoc* basis as questions or issues have arisen with respect to these productions. Each party anticipates making one final production of miscellaneous responsive documents in February.

Inspection of Evidence

Upon request by defense counsel, the SEC has made available for inspection a laptop that was produced to the SEC by Mr. Bassily's former employer, ConvergeEx, and which contains proprietary software. The parties have scheduled March 3, 2017 for defense counsel to inspect the laptop at the SEC's offices, and it will be made available for further inspection upon request.

Third Party Discovery

Document discovery with third parties is scheduled to begin on March 15, 2017.

Depositions

Depositions are scheduled to begin on September 15, 2017 and the deposition period lasts six months. Under the Case Management Order, the parties are allowed up to 25 depositions each, and the SEC anticipates seeking at least 20 depositions. Both parties intend to seek depositions of witnesses living overseas, and may need to seek judicial assistance to issue letters rogatory or other requests for mutual assistance to foreign courts. The parties have agreed to meet and confer regarding foreign discovery on or before March 22 and again on or before April 19, 2017, including whether there are witnesses for whom both parties wish to seek judicial assistance or whether either party objects to any proposed requests for assistance by the other. Given the number of potential deposition witnesses, including a significant number living overseas, the parties have agreed to meet and confer on or before June 30, 2017 to discuss scheduling for depositions, in an effort to work out an efficient schedule.

Expert Discovery

The parties contemplate using expert witnesses, and plan to discuss expert discovery during the meet and confer session on or before June 30, 2017. The parties also plan to meet and confer regarding expert discovery at least 30 days before the close of fact discovery, on or before February 15, 2018.

Discovery Deadlines

The parties have discussed the discovery deadlines in the Case Management Order, and each party believes that the schedule remains reasonable, given the total number of depositions likely to be sought, particularly those in foreign locations.

Potential for Resolution

The parties have agreed that during their April 19 and June 30, 2017 meet and confer sessions regarding depositions and scheduling, they will also meet and confer regarding any prospects for settlement of this matter.

Respectfully,

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Securities & Exchange Commission
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